

CALIFORNIA ENERGY COMMISSION

1516 NINTH STREET
 SACRAMENTO, CA 95814-5512
www.energy.ca.gov



Implementation of Renewables)	Docket No. 02-REN-1038
Investment Plan Legislation)	Renewable Energy Program
and)	
Implementation of Renewables)	Docket No. 03-RPS-1078
Portfolio Standard Legislation)	RPS Proceeding
)	
)	NOTICE OF COMMITTEE WORKSHOP
)	RE: Draft Joint Agency Staff Report on
)	Tracking System Operational Determination

**NOTICE OF COMMITTEE WORKSHOP ON
 DRAFT JOINT AGENCY STAFF REPORT ON
 TRACKING SYSTEM OPERATIONAL DETERMINATION**

The California Energy Commission's (Energy Commission) Renewables Committee (Committee) will conduct a workshop to receive public comments on the *Draft Joint Agency Staff Report on Tracking System Operational Determination (Draft Report)*. The *Draft Report* was prepared collaboratively by staff from the Energy Commission and the California Public Utilities Commission (CPUC). It proposes criteria, methodology, preliminary evaluation and conclusions to determine whether the tracking system established by the Energy Commission to verify compliance with the state's Renewable Portfolio Standard and to prevent double-counting of renewable generation is operational. Commissioner Karen Douglas is the Presiding Member and Chairman Jackalyne Pfannenstiel is the Associate Member.

MONDAY, MARCH 17, 2008

9 a.m.

California Energy Commission
 1516 9th Street
 First Floor, Hearing Room A
 Sacramento, California
 (Wheelchair Accessible)

Audio from this hearing will be broadcast over the Internet.

For details, please go to:

<http://www.energy.ca.gov/webcast/>

To participate in the meeting by phone,
 please call 888-790-2948, at or after 9 a.m.
 Passcode: WORKSHOP Call Leader: Kate Zocchetti

Purpose of the Workshop

The staff *Draft Report* is being prepared in response to the legislative mandate in Senate Bill 107 ((SB 107) Simitian, 2006) which requires the Energy Commission and the CPUC to conclude that the tracking system established pursuant to Public Utilities Code subdivision (c) of Section 399.13 is:

1. operational,
2. capable of independently verifying the electricity generated by an eligible renewable energy resource and delivered to the retail seller, and
3. able to ensure that renewable energy credits shall not be double counted by any seller of electricity within the service territory of the Western Electricity Coordinating Council (WECC) prior to the CPUC authorizing the use of Renewable Energy Certificates (RECs).

This report proposes the criteria, methodology and preliminary evaluation in concluding whether the tracking system meets the above mandate. The *Draft Report* will be available no later than March 7, 2008, on the Energy Commission's website at [<http://www.energy.ca.gov/2008publications/CEC-300-2008-001-SD/>].

Background

The Energy Commission and the CPUC are charged with implementing California's Renewable Portfolio Standard (RPS). The RPS was initiated under Senate Bill 1078 ((SB 1078) Sher, 2002) and required retail sellers of electricity to increase the amount of renewable energy they procure each year by at least 1 percent until 20 percent of their retail sales are served with renewable electricity by December 31, 2017. SB 1078 also charged the Energy Commission with designing and implementing an accounting system to verify compliance with the RPS and "to ensure that renewable energy output is counted only once for the purpose of meeting the renewables portfolio standard of this state or any other state, and for verifying retail product claims in this state or any other state."¹ SB 107 accelerated the 20 percent RPS goal from 2017 to 2010. Also included in SB 107 was a requirement that prior to the CPUC being able to authorize the use of tradable RECs for compliance with the California RPS, the CPUC and the Energy Commission must determine that the tracking system is operational.

Public Comments

Interested members of the public are encouraged to review and comment on the staff *Draft Report*. Members of the public may submit verbal comments at the workshop on March 17, 2008. Written comments on the workshop topics must be submitted by 5:00 pm on March 19, 2008. Please include the docket number

¹ Public Utilities Code Section 399.13 (b)

02-REN-1038 and docket number **03-RPS-1078** and indicate **Committee Workshop on Draft Joint Agency Staff Report on Tracking System Operational Determination** in the subject line or first paragraph of your comments. Please hand deliver or mail an original plus 10 paper copies to:

California Energy Commission
**Re: Docket No. 02-REN-1038
and Docket No. 03-RPS-1078**
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5504

The Energy Commission encourages comments by e-mail. Please include your name or organization's name in the name of the file. Those submitting comments by electronic mail should provide them in either Microsoft Word format or as a Portable Document (PDF) to [docket@energy.state.ca.us]. **One paper copy** must also be sent to the Energy Commission's Docket Unit.

Participants may also provide an original and 30 copies at the beginning of the workshop. All written materials relating to this workshop will be filed with the Dockets Unit and become part of the public record in this proceeding.

Process for Receiving Public Comment on *Draft Report*

The Renewables Committee requests comments on the staff *Draft Report* as described above. The Committee will carefully consider all written comments, workshop discussion, and staff analysis. With this input, the Committee will recommend any needed changes to the *Draft Report* for possible adoption by the Energy Commission at a regularly scheduled business meeting to be announced under separate notice.

Assistance

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [pao@energy.state.ca.us]. If you have a disability and require assistance to participate, please contact Lourdes Quiroz at (916) 654-5146 at least five days in advance.

Members of the public who have technical questions regarding this notice may contact Kate Zocchetti, the Energy Commission's RPS and Western Renewable Energy Generation Information System (WREGIS) Program Lead, by phone at (916) 653-4710 or by e-mail at [kzocchet@energy.state.ca.us]. News media should direct inquiries to Susanne Garfield Jones at (916) 654-4989 or e-mail at [mediaoffice@energy.state.ca.us].

Dated: March 7, 2008

**STATE OF CALIFORNIA
ENERGY RESOURCES
CONSERVATION
AND DEVELOPMENT COMMISSION**

KAREN DOUGLAS
Commissioner and Presiding Member
Renewables Committee

JACKALYNE PFANNENSTIEL
Chairman and Associate Member
Renewables Committee

Mass Mail Lists: 5503, 5504, 5506, 5507
Date Mailed: March 7, 2008

Note: The California Energy Commission's formal name is State Energy Resources Conservation and Development Commission.

Attachment A
Draft Joint Agency Staff Report on
Tracking System Operational Determination

Workshop Agenda

9:00 – 9:15	Introduction/Ground Rules/Overview/Goals
9:15 – 9:45	Staff Presentation
9:45 – 12:00	Public Comment and Questions
9:45 – 11:00	<ul style="list-style-type: none">• Is the Tracking System ‘Operational’?• Is the Tracking System Capable of Independently Verifying RPS-Eligible Energy has been Generated and Delivered?• Does the Tracking System Protect Against Double Counting of Renewable Energy Certificates (RECs)?
11:00 – 11:30	
11:30 – 12:00	

Workshop Questions

I. Tracking System is ‘Operational.’

The Energy Commission and CPUC propose five criteria to define and evaluate ‘Operational’.

- i. Please identify and justify any additional criteria that should be considered.
- ii. Please identify and justify any of these proposed criteria that should be discarded.
- iii. For each criterion, is the proposed methodology appropriate for evaluating the functionality of WREGIS?
- iv. For each criterion, do you agree with the interim evaluation proposed by the Energy Commission and CPUC?
- v. Do you believe that the Energy Commission and CPUC should be evaluating WREGIS only for all criteria instead of the “tracking system” (i.e. WREGIS + the interim system to track delivery)?

1. WREGIS has been launched, and software meets specifications of the contract.

- i. Are there any issues/concerns held by WREGIS account holders regarding the current functionality of WREGIS?
- ii. Is there any need for additional public documentation (e.g. user's manual) or training on WREGIS functionalities?

2. Entities participating in California's RPS are registered with WREGIS.

- i. How should 'entities participating in California's RPS' be defined? For example, which of the following examples should or should not be included for the criterion to be met:
 - A California RPS-certified generating unit that is only selling to an out-of-state load-serving entity at this time
 - A California RPS-certified generating unit that is only selling to a California publicly-owned utility at this time
 - A small residential PV owner who has not yet sold RECs to a California RPS-obligated load-serving entity
 - The California Independent System Operator and/or other Balancing Authorities
- ii. If required entities are not registered as of May 1, 2008, how could the Commissions encourage required entities to sign up with WREGIS?
- iii. Should there be a trial period after which entities have signed up for WREGIS and before WREGIS is considered operational? (e.g. should this criterion only be considered complete after entities have been using WREGIS for 30 days?)
 - What would be the benefits/drawbacks of a trial period?
 - What is meant by 'using WREGIS'?
 - Is 30 days too brief, since certificate creation for newly registered generating units would not occur until at least 90 days after month of registration?

3. The Energy Commission has established processes to verify the RPS-eligibility of generating units.

- i. Are there any issues or concerns regarding the California RPS-eligibility designation and whether it will show up in a timely manner on the WREGIS Certificates for the eligible generating unit?

- ii. Are there any issues or concerns regarding the RPS-eligibility attributes included on a WREGIS Certificate?
- iii. Currently, the WREGIS Certificate does not include a characteristic to identify whether a WREGIS Certificate satisfies the delivery requirements for California's RPS. How will this impact the market for WREGIS Certificates? What are the implications regarding the liquidity of the WREGIS Certificates?

4. Certificates have been created.

- i. Are there any issues or concerns regarding the documentation of this criterion being met?

5. The Final Operating Rules would not preclude any reasonably foreseeable CPUC REC trading rules.

- i. Are there any issues or concerns regarding the analysis of each element of the CPUC straw proposal?
- ii. Are there any legal or functional barriers that WREGIS imposes which would preclude the ability of participating in REC trading?

II. Capable of Independently Verifying Renewable Energy Generation and Delivery

1. Capable of independently verifying renewable generation

- i. Does the Interface Control Document for Qualified Reporting Entities provide sufficient assurance that the renewable generation is being independently verified?
- ii. Is additional collaboration with other states necessary for interim delivery verification? Consider that the Draft Report states, "... the Energy Commission verifies, to the extent possible, that the generation from renewable facilities claimed by the California IOUs for RPS compliance was not claimed by retail providers in other states by collaborating with state agencies in Oregon and Washington."

2. Capable of independently verifying delivery

- i. Could the tracking system be considered Operational before WREGIS includes the new functionality to verify renewable energy delivery?

- ii. Are there any issues or concerns regarding the interim tracking system's delivery verification methodology?
- iii. Are there any issues or concerns regarding the proposed functionality to include delivery verification in WREGIS?

III. Protecting Against Double Counting

- i. Does WREGIS satisfy the requirement pursuant to Public Utilities Code §399.16(a)(1) that renewable generation can not be “double counted by any seller of electricity within the service territory of the WECC”?